

INDIAN AFFAIRS MANUAL

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2.1 Purpose. This chapter establishes Administrative Control of Funds policies for the Bureau of Indian Affairs and identifies the responsibilities of Indian Affairs officials in the control and distribution of obligational authority and the expenditure of funds. These procedures are intended to:

A. Ensure that programs are executed and funds are expended pursuant to enacted appropriations and in accordance with specific directives of the Congress.

B. Provide the framework in which Indian Affairs will operate a positive administrative control of funds system designed to restrict obligations and expenditures against each appropriation or fund account to the amount available.

C. Enable the Assistant Secretary - Indian Affairs to determine responsibility for the over obligation or over disbursement of appropriations, apportionments, statutory limitations, allotments, suballotments, and other administrative subdivisions of funds.

D. Provide procedures for reporting violations of the Antideficiency Act.

2.2 Policy. Each official receiving funds will be held administratively accountable for all funds distributed to such official. The officials who are designated as allottees are subject to the provisions of the Antideficiency Act (31 U.S.C. §§1341-1342, 1349-1351, 1511-1519).

2.3 Authority.

A. Title 31 U.S.C., Subtitles I and II:

- (1) Chapter 9, Agency Chief Financial Officers;
- (2) Chapter 11, The Budget and Fiscal, Budget, and Program Information;
- (3) Chapter 13, Appropriations; and
- (4) Chapter 15, Appropriation Accounting;

B. Title 31 U.S.C. §3512, Federal Managers' Financial Integrity Act; and

C. Appropriations Acts for the Department of the Interior and Related Agencies.

2.4 Guidance. Federal managers may obtain additional guidance from the following publications:

A. OMB Circular A-34, Instructions on Budget Execution;

B. Title 7, General Accounting Office (GAO) Policy and Procedures Manual for Guidance of Federal Agencies;

C. Principles of Federal Appropriations Law, GAO Volumes I - III, Second Edition; and

D. Part 328 Department Manual, Administrative Control of Funds.

2.5 Handbook. The "Financial Management Handbook" which contains information on all fund codes, organization codes, object class definitions, and project codes is available from the Division of Budget, MS 4616 - MIB, Washington, DC 20240.

2.6 Hierarchy of Fund Control. The following chart displays the relationship between the various

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levels of fund control.

Appropriation															
Allotment								Allotment							
Suballotment				Suballotment				Suballotment				Suballotment			
Allocation		Allocation		Allocation		Allocation		Allocation		Allocation		Allocation		Allocation	
Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation	Sub-allocation

2.7 Responsibilities.

A. Chief Financial Officer (CFO) establishes an overall system of fund control in Indian Affairs and reports statutory violations of the Antideficiency Act.

B. Chief, Division of Budget, ensures that:

- (1) The data entered into the accounting system accurately reflects enacted appropriations, approved apportionments, allotments, and suballotments;
- (2) The distribution of funds identifies any amounts earmarked by Congress for a specific purpose;
- (3) Reprogramming actions and reprogramming reports conform to Congressional and Departmental guidance;
- (4) The distribution of resources in the receipt accounts is limited to amounts actually collected; and
- (5) Senior management is advised of potential or actual problems in resource allocations or obligational rates.

C. Chief, Division of Accounting Management, ensures that:

- (1) Accurate and timely financial reports are produced and distributed;
- (2) Appropriate automated controls are established and maintained within the accounting system;
- (3) An effective system is in place to review and monitor financial data so that:
 - (a) obligations are classified properly;
 - (b) obligations are recorded promptly; and
 - (c) unliquidated obligations reflect only valid undelivered orders;
- (4) All requests to record undisclosed obligations are promptly reviewed and entered into the accounting system; and

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(5) Quarterly reports are provided to the CFO on the number and dollar amount, by organization, of requests to record undisclosed obligations.

D. Allottees:

(1) Prepare Funding Plans for all activities other than Area Office Operations and Tribal Priority Allocations;

(2) Suballot funds under their control;

(3) Allocate resources to headquarters organizations;

(4) Conduct regular reviews of resource availability and obligation rates for subordinate organizations;

(5) Establish procedures to verify the availability of funds prior to incurring obligations;

(6) Provide a certification at the end of each fiscal year attesting to the fact that all valid obligations are recorded in the accounting system and that all undelivered orders shown in the accounting system for their organization(s) represent valid obligations; and

(7) Take appropriate disciplinary action against employees in their chain of command who fail to follow established fund control procedures.

E. Suballottees:

(1) Allocate resources to subordinate organizations; and

(2) Fulfill the same requirements identified for allottees in subsections 4-7.

F. Officials Receiving Allocations are responsible for adhering to established fund control procedures and ensuring that obligations and expenditures are legal, necessary, and within the amounts allocated.

2.8 Designation of Allottees. The following officials are designated as allottees for funds appropriated for the Bureau of Indian Affairs:

- A. Commissioner or Deputy Commissioner of Indian Affairs;**
- B. Director, Office of Indian Education Programs;**
- C. Chief Financial Officer;**
- D. Deputy Chief Financial Officer;**
- E. Director, Office of Trust Responsibilities;**
- F. Director, Office of Tribal Services;**
- G. Director, Office of Economic Development;**
- H. Director, Office of Management and Administration;**

- I. Director, Facilities Management and Construction Center;**
- J. Director, Office of Law Enforcement Services;**
- K. Director, Office of Information Resources Management; and**
- L. Director, Office of Self-Governance.**

2.9 Designation of Suballottees. Each of the allottees may also receive suballotments and allocations. In addition to those officials, other suballottees are:

- A. Area Directors;**
- B. Area Education Program Administrators;**
- C. Central Office Division Chiefs;**
- D. Agency Superintendents for Education;**
- E. Officers in Charge of Schools; and**
- F. The Presidents of Haskell Indian Nations University and Southwestern Indian Polytechnic Institute.**

2.10 Statutory Violations of the Antideficiency Act.

A. No officer or employee of the United States may make expenditures or incur obligations in excess of an appropriation or fund account or in advance of appropriations.

B. No officer or employee of the United States may accept voluntary services or employ personal services in excess of that authorized by law except in cases of emergency involving the safety of human life or the protection of government-owned property or property for which the government has some responsibility.

C. No officer or employee of the United States shall authorize or create any obligation or make any expenditure in excess of any apportionment or reappropriation or in excess of the amount permitted by the agency's administrative control of funds regulations.

2.11 Penalties. In accordance with 31 U.S.C. §§ 1349 and 1518 of the Antideficiency Act, an officer or employee of the United States violating 31 U.S.C. §§ 1341(a) or 1517(a) may be subject to one of the following administrative disciplines: suspension from duty without pay; a letter of reprimand or censure to be included in the employee's Official Personnel File; an unsatisfactory performance rating; a transfer to another position; or removal from office. In addition, in accordance with 31 U.S.C. §§ 1350 and 1519, an officer or employee convicted of willfully and knowingly violating 31 U.S.C. §§ 1341(a), 1342, or 1517(a) may be fined not more than \$5,000 or imprisoned for not more than 2 years or both.

2.12 Reporting Violations. Any individual with knowledge of a possible violation has the responsibility to report it to their immediate supervisor or to the official responsible for the funds involved, *i.e.*, the allottee or suballottee. That official shall notify the CFO of the Bureau. Upon verification, the CFO will follow the reporting procedures described in 328 DM 1.6(B).